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# FACTS TO FIGHT COMMUNISM



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By Stuart O. Landry



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## Foreword

During the past twenty years two economic doctrines have struggled for supremacy—Fascism and Communism. Until yesterday we might have paraphrased Gilbert and Sullivan:

*Every little boy or girl that's born to exist  
Is either a little Fascist or a Communist.*

Fascism is rapidly fading into oblivion. It is no longer a world problem, except that some insist on applying this term to conservatives or the so-called capitalists.

Communism, however, waxes stronger, and the greatest menace facing the world today is its insidious, atavistic and soul-destroying philosophy. This little brochure offers arguments to combat that ideology.

S. O. L.

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## ***Facts to Fight Communism***

Not many months ago a poll uncovered a startling fact. It showed that many Americans are inclined to the communistic ideology. In the investigation the interviewers did not ask: "Are you a Communist?" Or, "Do you believe in Communism?" to which few would answer, Yes." But the question was: "Do you believe that, if the Government took over production and distribution, goods would be cheaper?" To this simple question 63% of those interviewed said, "Yes." College students and certain groups were next asked: "Why do you believe that government-controlled production and distribution would supply us with goods at lower prices?" 50% said that advertising and profits would be eliminated, thus reducing costs.

Now these are out and out socialistic or communistic beliefs. (Further on I will explain the similarity and difference between Socialism and Communism.) But they sound so harmless that many people say to themselves: "Maybe Communism is not as bad as it is said to be."

The tendency throughout the world is to lean more and more on government. In many countries, including England, the state is taking over large industries. Socialism is "in the air." The idea that when the state earns all the profit the people will get it instead of a few individuals is plausible.

The theories back of Socialism or Collectivism and Communism are fallacious, and these systems, or philosophies of economics, do not in practice bring out the best that is in mankind or help civilization to advance.

But the ideology of Communism and its allied beliefs

cannot be vanquished by an appeal to patriotism, fine words or generalities; by diatribes and bitter harangues; by social obloquy; or even by imprisonment, beating, maiming and killing. It cannot be stopped by a military crusade or a holy war. Neither can it be kept behind an iron curtain or stamped out by passing laws. An idea cannot be defeated that way. The only way you can overcome one idea is to have a better idea.

Therefore, the fight against communism in the United States today, and even in the rest of the world, should be based—not on witch hunting, red baiting and appealing to the emotions—but on reason. There must be an appeal to the intelligence. Although people are ruled by their emotions more than by their intellects, nevertheless reason does prevail, for if it did not civilization would never have gotten as far as it has. The only way we can overcome the error of Communism is by the force of logic—the logic of economics, the logic of events and the logic of results. We will take Marx's dialectic and beat him at his own game. We must fight Communism, not with bombs or bombast, but with facts, logic and an appeal to reason.

## ***How and Where Communism Thrives***

Most of us marvel at the ease with which Communists were able to gain control of Romania, Czechoslovakia, Yugo Slavia, Poland and Hungary. We do not understand how the Communist Party could make such large gains in Italy and France. That it is successful in making such a dent in the political structure of European countries is due, not only to the intense effort of the fanatical workers of the Party, but to the ideology which they propagate. And it is a mistake to believe that just because people are hungry and without much



property that they automatically turn to Communism. Hunger alone does not make Communists. But unsettled conditions, inflation, food scarcity and lack of production do dissatisfy the masses. This is fertile ground where the Communists can plant their lying propaganda. They promise bread to the hungry, land to the peasants, jobs to the unemployed and prosperity for all. Their chief converts and supporters, however, are the bourgeoisie, the professional classes, and the more intelligent.

From the time of Plato the idea or theory of Communism has appealed to a great many thinking people. Pure Communism is a form of idealism which is intriguing to idealistic youth. The inclination of the young man is to be a reformer. He looks around, sees poverty and trouble, and says that it exists because the social system is wrong. He does not know that some of it may be the fault of human nature.

### We Are Taught Socialism

The economics of the last fifteen years tend towards Communism. Today young people\* are told that success comes from "pull"—not *what* you know but *whom* you know—"the breaks", the use of dishonest methods, or from some cause other than hard work, thrift, determination and ambition. This follows Marx's theory that leaders achieve success because of social or economic conditions. The individual is entitled to no credit—he is thrown to the top by an economic wave. This idea is embodied in textbooks and expounded by teachers throughout the United States.

Other Marxian ideas assail us. A member of Congress tells of a book prepared for American service men

\* The youth of the land has been raised on the economics of the "New Deal." Paternalism, guaranteed jobs, dependence on the Government for all kinds of help tend to inhibit self reliance.



during the War. This textbook, of which 43,000 copies were printed and sent to soldiers and sailors taking study courses, recommended that prices be done away with, and that the Government assume control of production.

The report of President Truman's Council of Economic Advisers contains communistic ideology. For instance, the report states that capital accumulation and the use of machinery increases the burden of labor and "forces wages down almost everywhere", or: "The accumulations of capital over the years have in fact involved deprivations of the rank and file worker."

In addition to our schools there is a touch of Socialism in nearly all our intellectual activity. Mr. McNeil, Assistant Managing Editor of the New York Times, said in a recent address that Communists have placed themselves in all communication systems. They are



found in the press, in news agencies, in news syndicates, among book publishers, in the editorial offices of national magazines, radio and the motion picture industry.

Thus, with Socialism all around us and socialistic theories being fed to our young people in textbooks and by teachers, it is no wonder that they are beginning to believe that the American free-enterprise system and the profit motive are wrong.

### Those Who Lean Toward Socialism

The many in sympathy with the idea of the state taking control of production and distribution and doing away with the profit motive, advertising and the hire-and-fire system of business might be surprised to learn that it is communistic doctrine. These good, intelligent people form the rich soil where Communists can grow the rank flowers of revolution when the time comes. Among the following groups may be found many who think that capitalism is wrong and that perchance socialism will solve the world's problems:

*Idealists.* From the time of Confucius, Buddha and Plato there have always been idealists who desire that everybody be happy and the world be at peace—young men, gentle old men, dreamers, poets and philosophers. They are the glory of the world, but they are impractical, and without realism particularly in economic matters. They think the world can be run by the good, the true, the wise—according to plan.

*Ascetics.* Asceticism is elemental in human nature. Of any group of people a certain number will tend towards it. It is the stuff of which martyrs are made. Ascetics are willing to give up comforts, conveniences and luxury on the theory that it will do other people good for them to make this sacrifice.

*Professors.* Most educators and theoretical economists are shut off from practical affairs. Never having managed a farm, a factory or a store, bossed a section gang, faced a payroll or sold goods, they do not understand the human factor in economics. Drawing their pay from the state or from large institutions, they are not faced with the competition that the business man, the entrepreneur or creator of wealth has to meet. Having found a certain amount of security in their positions, some observe that everyone should have that same security. Brilliant and with a facility for expression they then devise ways and means to bring it about. Reasoning deductively rather than from induction, to many, the principles of Communism seem axiomatic. Women's colleges and girls' schools contain some of the most enthusiastic and loyal followers of the Russian ideology.

*Writers.* Newspaper men, journalists and writers are apt to be radical. Conservatism is old-fashioned. To make a big hit one must write the sensational, or denounce, expose, destroy and debunk. Newspaper writers often resent the fact that the business managers and advertising experts on the paper earn larger salaries, but more particularly editors and reporters are forced to be conservative. Again writers are imaginative and emotional, their sympathies are easily aroused, they are for the underprivileged. Furthermore, writers, as well as actors and musicians, are among the best paid people in Russia. If Communism comes a writer has a greater opportunity to succeed than most others—provided he hews to the party line.

*Politicians.* In the United States politicians shy away from Communism and Socialism by name. But by name only, because many of them go in for share-the-wealth;



\$50.00 a week for everybody fifty years old; down with the rich and up with the poor; and so on. Some are ready to jump on the band wagon. "If Communism comes, I'll be a commissar."

*The Dissatisfied.* Many are dissatisfied with economic conditions around them and blame it on the "system". Some, weary of the struggle, give up. They want the State to take over their financial troubles and give them security.

*Rich "Liberals".* There are numerous wealthy people in the United States today who are giving vast sums of money to promote Communism. Three of the owners and financial backers of the Communist Daily Worker belong to famous and wealthy American families. One is a D.A.R. and a graduate of Bryn Mawr.

*Professional Agitators.* People who fish in troubled waters make good Communists. Then there are the paid hirelings and soldiers of fortune; renegades, or men with criminal tendencies; as well as schemers and adventurers who come to the top in times of trouble.

\* \* \* \* \*

Communism plays on two other fears of the general public. One fear is that of a depression and the loss of jobs. The other fear is that of monopolies.

Many of those in the groups mentioned above are influenced and can be influenced by communistic propaganda. The only way to win them over to a sane economic belief is to explain in a simple way the fallacies of Marxism and the dangers inherent in this insinuating but false philosophy.

Strange as it may seem, the very poor, the helpless are not particularly inclined to Communism. It is too

intellectual a theory and too unrealistic. They do not understand it. They haven't enough energy nor do they care what happens.\* The indigent and underprivileged do not make good Communists. Communism is a disease of intelligent people. Nor does the danger from Communism today stem from the card-holding members of the Party. It comes from the liberal attitude of the millions of patriotic citizens who are fooled by socialistic propaganda.

\* \* \* \* \*

## What Is Communism?

Communism, Socialism and Collectivism are all three birds of the same species, but with different plumage. And the first has sharper talons. It is not difficult to define the basic theory of these three "isms", but to differentiate them is not easy. Socialism, Communism and Collectivism all require that the state take over the control of land, property and capital. They imply a planned economy.

The Encyclopedia Britannica thus defines Socialism:

Socialism is that policy or theory which aims at securing by the action of the central democratic authority a better distribution, and in due subordination thereunto a better production of wealth than now prevails.

This sounds innocuous enough, but its implications are broad and lead to stateism, totalitarianism, loss of freedom and the suppression of individuality.

\* Revolutions are not brought about by a starving people. They are begun and carried through by unusual leaders backed up by energetic followers. The French Revolution, the American Revolution, the Russian Revolution were all successful because they were led by a few determined and forceful men, supported by a fanatical middle class minority. Everett D. Martin studied 1100 revolutions and found that all were organized by small groups who led the "good" common people against the "bad" classes. The successful revolutionists usually instituted a dictatorship which then oppressed the masses.



There are hundreds of variations or deviations from the basic doctrine of Socialism. Socialists are divided into many sects.\* Each has its dogma. Theories concerning capital, value and labor differ considerably. In practice today there are only two grand divisions—one represented by the Socialist Party and the other by the Communist Party. Socialists want to bring about a change in the economy of the world, that is to say, from private ownership and individual enterprise to government ownership and group enterprise, through democratic processes—by evolution. Communists want to bring about this change overnight, so to speak—by force, by revolution and bloodshed.

Collectivism is the same as Communism with a slight difference in dogma. In a narrow sense it refers to the operations of farms and factories by groups under control and direction of the government.

The theory of Communism is summed up in its slogan: "From each according to his ability; to each according to his needs." Actually Communists are motivated by self-interest as are capitalists. Party members want to obtain something for nothing, or to gain some advantage, and they will use force to accomplish it.

Although the fundamental ideology of Communism is like that of Socialism, the working philosophy of Marxian Communism is diametrically opposite, because Marxian Communism is motivated by hate, whereas Socialism is kindly and is based on love for mankind. The Marxian Communist is so full of hate that he hates a Socialist even more than he does a capitalist. Communism as it is practiced today, is a doctrine of force, of ma-

\* Such as Fourierism, LaSalle's Collectivism, Fabian Socialism, Kautsky's Socialism, or the Socialism of Norman Thomas. There are Mensheviks as well as Bolsheviks.

terialism, of hate and bloodshed. It advocates the dictatorship of the proletariat, which means a dictatorship of who ever can seize power.

Let us look at Marxian Socialism or the Communism of Lenin and the Russians—the Communism that now seeks to conquer the world.

### The Communism of Marx\*

The economic theories of Karl Marx are explained in his book *Das Kapital*. Although difficult to read, it is one of the great books of the world—not because it is based on truth, but because it has influenced the thought of the Twentieth Century and the politics and economics of the age. *Das Kapital* is accepted as the fundamental truth by millions of people, and hundreds of millions now live, whether they like it or not, under Marx's theories. For a great part of the world, life has changed from an Adam Smith economy to that of Karl Marx.

\* Karl Marx was born in Germany in 1818. Attending the Universities of Bonn and Berlin, he took the degree of Ph.D. He went to Paris, edited a socialistic paper and was asked to leave France. After returning to Germany, because he advocated armed resistance to the payment of taxes, Marx was tried for high treason but acquitted. In 1849 he was expelled from Germany and went to London where he lived until he died in 1883. It is significant that he was run out of Germany and France, and in the free country of England he carried on activities tending to destroy that freedom the benefits of which he was enjoying.

Marx was without means and he and his family were supported by his friend Friedrich Engels. Marx never had a job after he landed in England, and never did a lick of work—manual labor, proletarian work—in all of his life. Engels inherited his father's textile mill, from which he made profits—out of the low wages and long working hours of his employees—that helped to support Marx. Marx never had any business training nor did he ever handle labor. He spent most of his time at the British Museum reading and studying economics.

Marx and Engels formed the Communist Party which soon numbered 17 members. They issued the Communist Manifesto in 1848. They organized the party in France and sent 800 agents to start "cells" in Germany. Marx purged from the party those who dis-



*Das Kapital* appeared in 1858 and at first was hardly noticed. But the Marxian theory soon gained a gradually increasing following. His greatest disciple was Lenin—the father of Russian Bolshevism and post-revolution Communism.

Many of Marx's economic postulates have been proved fallacious. For instance, Marx stated that all wealth is the product of labor alone. This is wrong for it takes saving or capital, plus management as well as labor to create or produce goods. Marx taught that the struggle was between the rich and the poor, the masses against the classes. This idea is as old as Plato who said: "Society is a warfare between rich and poor." The term that Marx used for the poor with whom he classed the laborer was *proletariat*, after a Roman word which we can translate as "riff raff".

Marx, born at the beginning of the industrial revolution, witnessed the abject poverty of the laboring people of those days. The long hours, child labor, sweat shop work—publicized by Thomas Hood's immortal poem, "The Song of the Shirt"—he attributed to capitalism, and believed that Communism would do away with them. Marx thought that as wealth increased wage earners

agreed with him. He did this by starting stories that the dissident member had a venereal disease or that he had stolen money from the workers' funds—a technique still used by party leaders. Marx was suspicious, a schemer and a disturber—an exemplar for his followers of today. Because of his intrigues, he lost most of his friends. The hate motive was strong in Marx's psychology. He was cursed like Job with boils, and he passed on this curse to future humanity in these words: "I hope that as long as they live, the bourgeoisie will remember my carbuncles."

An economic parasite, poor old Marx lead an embittered and unhappy life. His pity for the wage earners of his day was fine and noble, but the improvement of social conditions that he desired has been brought about by those whom he said couldn't or wouldn't do it, while his hate, his doctrine of force and bloodshed and his materialism have spread all over the world. Thus the evil that Marx did has lived after him while the good was interred with his bones.

would be reduced to further penury. It worked just the other way. For two generations, hours have been shortened, wages increased, and social laws protecting workers broadened. All the abuses that Marx protested against have been abolished, and this by the very capitalism that he denounced as decadent.

But from the *Communist Manifesto*, *Das Kapital*, and other writings of Marx and Engels, have been deduced or evolved these tenets of Communism:

1. The abolition of private property
2. State control of wages and prices
3. The prohibition against one person employing another
4. Free love and community of women
5. The elimination of nations or national aspirations
6. Atheism and the abolition of religion
7. The abolition of classes, particularly the destruction of the middle class—the backbone of any nation. (He called them the bourgeoisie.)
8. The dictatorship or rule of the proletariat
9. The submergence of the individual to the State.

From the principles enunciated above are derived some practices to be employed by communistic states such as: the use of fraud, subterfuge and lying propaganda in furthering the cause of Communism; sabotage, arson and bloodshed; control of the press and cultural activities; the use of secret police; abolishment of labor unions and the right to strike; the existence of only one political party.



### Promised Advantages

Communists promise many economic and social benefits. Here are some of them:

- The 6-hour work-day
- High wages
- Modern housing, rent free
- Free medical, hospital care
- Vacations for all
- Free education through college
- Free transportation
- Ample goods at low prices
- No depressions
- A classless society
- World peace
- Elimination of government eventually.



The bear that walks like a man.

In a word, they will achieve the millenium. A wonderful pot of gold at the end of the social rainbow!

It is easy to make promises. Politicians and those who want to obtain power find that promising is the best syrup with which to catch flies. It sounds good to listeners to combine idealism with a picture of the new world to come, its troubles done away with, social security and peace and prosperity for all. Communism offers all this. Can it make good? The answer is "no." And the reason is that society cannot rise above human nature's level. If these objectives are to be attained—some, such as shorter work days are already in effect—they will be reached quicker and more efficiently under a free enterprise economy.

In judging the workability of a plan or the soundness of a theory, the only light that can guide us is the lamp of experience. The founding fathers of the great United States of America created our magnificent Constitution after a study of the governments of the past. This is sound procedure.

In arriving at a judgment about Communism, we can use the same method. Let us look at the past. Let us study history. There is enough recorded experience since the beginning of history to give us something to work with. Studies of tribal organization among primitive peoples are available. The results of all kinds of social and economic experiments can be evaluated. In so far as economy is concerned, the grand experiment of the U.S.S.R., the capstone of Communistic achievement, can now be studied in some detail.

### Some Communistic Experiments

Communism is not new. In fact, it is the oldest form of social organization in the world. Savage tribes are communistic. Land and property are owned in common. In tribal times if one man by his initiative and energy builds a better canoe or accumulates a few furs and skins, his lazier or less resourceful companions use his canoe without his consent and take his furs away from him. Thus the superior individual has no incentive to show inventiveness, or to be efficient or thrifty. Under savagery, life is, according to Hobbes, "solitary, poor, nasty, brutish and short." In a state of nature there is no *meum* or *tuum*—mine or yours. And primitive peoples never start on the road to civilization until individuals are permitted to own and accumulate property. Communism has been the basic economy of tribes all



over the world for thousands of years. No successful civilization was ever founded on Communism.

In more recent times, socialistic and communistic societies have been established which operated in a small and limited way. The Pilgrims, who came over on the Mayflower, signed a socialistic compact in which they agreed that the profits of the colony were to be divided among the settlers equally. This did not last long. The plan was abandoned because, as Governor Bradford pointed out, some were lazy and would not work.

The Shakers who came to America in 1770 were a communistic people. They now number less than 100.

At New Harmony, Indiana, a communistic settlement was founded in 1814 by Rapp and 1000 followers. Robt. Owen, English socialist and philanthropist, in 1824 bought the settlement for \$182,000 and brought over another 1000 colonists. The colony broke up in 1827.

Five other communistic settlements were started in the United States along Owen's ideas, but all failed in a year or so.

Brook Farm, about ten miles from Boston, was founded in 1841 and abandoned in 1847.\*

The Oneida Community at Oneida, New York, a communistic settlement, was organized in 1847 by John

\* This was the most interesting communistic experiment attempted in the Nineteenth Century. It combined high ideals and noble purposes with the practical economics of running a farm—the elements of perfect communism. Theoretically the plan was without a flaw. The members, cultural and intellectual, worked hard on the farm and taught school. They did all the work and were to divide all the profits—if any. There was high thinking and plain living. In spite of the brilliant men at its head, Brook Farm failed in six years. Among the members were George William Curtis, General Francis C. Barlow, who prosecuted the Tweed Ring in New York, Nathaniel Hawthorne and Charles A. Dana. Indirectly connected with the experiment were Emerson, Alcott, Theodore Parker and William Henry Channing. At one time there were 80 members. These men were of the highest type, honest, idealistic and altruistic, yet they could not make the community succeed.

Noyes, who had a theory that all selfishness should be done away with. This applied to property, things and persons. The community was a family with common husbands and wives. The society was about to fail when one of the members invented a steel trap which brought the society large financial returns. In 1881 the communistic organization was changed into a stock company with a capital of \$600,000. A successful business corporation, it still manufactures steel traps as well as silver ware.

In 1855 the Amana communistic settlement was started in Iowa. It is still in existence but no longer an effective example of communism.

In the middle of the Nineteenth Century 40 Fourierist communities, called *phalanxes*, were established in the United States and two in France. All failed in five or six years.

In 1858 the Icarian Community was started in Texas with 1,500 members. They had only 500 a year later but a few stayed on until 1895.

It is not necessary to list the communistic and socialistic settlements that have been started in the United States and in other parts of the world. The United States was particularly suited for experiments of this type because there was plenty of land and little interference by the government. All of them failed because they were based on principles which are against human nature. If a communistic society cannot succeed in a small way, is Communism apt to be successful when a whole nation adopts it?



## Communism in Russia

The greatest Communist experiment of all time is that of modern Russia. The present government came into power in November 1917 during "the ten days that shook the world." Lenin\* with two or three regiments

\* Lenin, born in 1870, was one of the most remarkable men who ever lived on this earth. The son of a school master, he was a university graduate and a lawyer. He early became a radical and spent one year in prison, and three years in Siberia where he was allowed to take his library and where he studied and wrote his greatest books. He left Russia in 1907 and returned in 1917. He lived in various countries, writing books and pamphlets and editing papers. He was a master of English, German and French and could read Italian, Swedish and Polish. He was a forceful writer on both theoretical and practical Communism.

The Lenin group began with 22 members including his wife. Lenin understood political developments in all countries, and was a profound student of Marx. During the first World War he worked in a book shop in Switzerland, while denouncing in print all capitalistic countries.

Many believe that Lenin brought about the Russian Revolution. He had nothing to do with it. After the Revolution was a success, and the Kerensky Government began to function, the Germans sent Lenin and other radicals from Switzerland across Germany in a locked and guarded train—they were afraid that their own people might be contaminated—for the purpose of arousing dissension among the Russians. Lenin arrived in Petrograd on April 4, 1917, and began to publish immediately a small daily called *Pravda*. While Lenin was organizing the Bolsheviks in the large cities, during a period of eight months, for the first and last time in history, the Russian people had a democratic and free government. Lenin was working underground a great part of the time. In the October elections the Communists received about 25% of the votes. When Lenin saw how things were going, on October 25, 1917, he appeared in Petrograd, after hiding for 3½ months in a log cabin in Finland. Lenin assumed charge, and, while he never threw a bomb, fired a rifle, or took any chances himself, his faithful followers under his direction captured the government. It was only by his titanic energy, unswerving determination and unshaken willpower that Lenin defeated his enemies. He knew what he wanted. Lenin promised peace to the Russian people, land to the peasants and prosperity for all. He employed dissimulation and lies to get power, and then he broke his word. He said, "There are no morals in politics; there is only expediency. A scoundrel may be of use to us just because he is a scoundrel." Lenin, however was sincere in his efforts, but a fanatic with a bad idea.

In Lenin's name more persons have been killed—soldiers, civilians, women, children—within the past thirty years than in all the wars in the last thousand years. It might be said that Marx laid the egg of Russian Communism and Lenin hatched it.

of soldiers trained by Trotsky and the support of about 200,000 members of the Bolshevik party (of which only 25% were industrial workers) throughout Russia, kidnapped the government and 160 million people. He immediately endeavored to put into effect the theories of pure Communism. The circulation of money was stopped, and the workers were paid with labor tickets. The Bolsheviks confiscated all forms of property, land, houses, farms, transportation, banks, manufacturing, stores and all means of production and distribution. Churches were closed, religion was prohibited and a dictatorship instituted. Marriage was loosely organized and divorces obtained by postcard.

The economy of the country soon declined startlingly when Communist theory was translated into practice. This is shown by the

### INDEX OF PRODUCTION

1913—100.0	1917—75.7	1919—23.1
1916—109.4	1918—43.4	1920—20.4

The farmers refused to raise food to give away to others, and equal pay to good and poor workers was no incentive to produce. When Lenin saw that Communism did not produce sufficient goods in 1921, he then instituted NEP—the New Economic Policy—which restored market dealings and allowed industry to develop, merchants to open their doors and others to start little businesses. The policy saved the country from starvation.

### Capitalism Saved the Soviets

During the N.E.P. period from August 1921 to the winter of 1926-27 private venture made great headway. By 1926, 44% of the retail trade—83% of the total retail



enterprises—and 7% of the wholesale trade was done by privately owned businesses. These private firms charged lower prices than the state monopolies and did most of the business.

When the economy had been revived and partially restored, and it began to appear that under private enterprise production was greater than under State ownership, the Party leaders feared that the future of Communism was threatened. The government under the direction of Stalin then repossessed private businesses, took the farms away from individual owners, and put into effect again the government ownership of all property. In the process of organizing farm collectives, Stalin sent to Siberia or killed 5 million Kulaks (peasant proprietors). It is interesting to note that some 20 million people died of starvation before the NEP was put into effect, and several million after the land was taken away from the peasants.

Today the Soviet economy is not that of pure Communism. In fact, it has many of the features of capitalism. However, it is far from being a free-enterprise economy. Besides extensive "planning" the Russians are ruled by an absolutism, which instead of being the dictatorship of the proletariat, is a dictatorship of the lariat.

The communistic experiment in Russia may be said to be a failure, although every effort has been made by one of the most cruel and ruthless dictatorships that ever existed to make the theory work. In its attempt to force Marxian economy upon its people, the Soviet Government has killed and tortured millions to make them sleep in the Procrustean bed of Communism. Let us now try to draw a picture of life in the USSR after thirty years of the "grand experiment."

## Behind the Iron Curtain

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No one knows much of what's behind the Iron Curtain. Few travelers can obtain permits to visit Russia and those who do are not allowed to hold too much converse with the people. Visitors are restricted to certain cities and localities, and even then are attended by watchful guards. It is thus difficult to get at the truth. But from the opinions of the people who do visit Russia, and better still, by studying Soviet official papers, reports and government propaganda published in their newspapers and periodicals, we get some idea of conditions in the Soviet Union.

Listening to Soviet propaganda, one would think that the USSR is an ideal place in which to live. But we know that all is not beer and skittles—or vodka and caviar. Today the great mass of the Russian people are underfed, underclothed and underhoused.\* Communism on a grand scale has not brought the Russian people equality, justice, freedom, security or plenty.

That the Russian people have made some progress since the Revolution is probable; that the lot of some of the peasants has improved is also probable. But that conditions have improved as much as they would have done under the so-called capitalistic system is doubtful. To be sure more Russians have been taught to read and write, but since their reading as well as their thoughts are restricted, one wonders how much good this has done. It is true that since 1914 the Russians have fought two wars and have acquitted themselves well,

\* In December 1947 the Brazilian Ambassador returned to Rio de Janeiro and stated that there were 30 million people hungry in Russia. He said that the workers were just so much cattle and were treated like dogs. According to *Time*, in Russia a five-room house used by a small American family would have to have housed in 1928, 14 persons; in 1934, 17; in 1937, 20 and in 1947, 80.



particularly in World War II. But Germany came back in 10 years after her first defeat—why didn't the Russians do half as well?

### All Profits Accrue to the State

In the USSR the State owns everything except a few personal possessions permitted to individuals. The State, a monopoly, makes a profit on all merchandise manufactured and sold. It fixes prices, and in doing so maintains a wide margin between labor and production costs and the selling price. During the first five-year plan, the profits on goods sold paid the exorbitant overhead and netted 30% on sales for reinvestment in capital expansion. In 1940, the profits on goods sold, including the turn-over tax, were 70% of all Government receipts. The retail price of goods must also include a profit tax, amounting to one-half of the tax paid to the general government, for each local factory or store.

### Goods Cost More in Russia

The turn-over tax in 1940 on various items was as follows: Bread—75%; Meat—70%; Butter—60%; Tobacco—80%; Clothes—74%; Salt—82%. Thus it will be seen that the Russian people pay more for the goods they buy than do the people of the United States or of

TO BUY	A RUSSIAN WORKS	AN AMERICAN WORKS
1 lb. Bread	70 Minutes	8 Minutes
1 Glass Beer	3 Hours	10 "
1 Tooth Brush	4 "	15 "
1 Alarm Clock	160 "	4 Hours
1 Woman's Cotton Dress	32 "	3 "
1 Man's Woolen Suit	580 "	28 "

other countries, where prices are based on competition and do not carry such a tax load. They pay more profit to the Government than they would pay to private producers and distributors. And at the present time they are not getting much needed goods.

### Retail Trade

There are only one-sixth as many retail outlets in Russia as in the United States in proportion to the population. There are 355,000 retail stores, 154,000 in the cities catering to 50 million, and 201,000 trade units in the country (many of these are co-ops) with 120 million people. In 1912 there were 1 million retail outlets. In 1938 only one store in 28 had a cash register, one in 12 a dial scale, and there were only 4,000 stores with mechanical refrigerators. These stores have as many clerks as similar stores in the United States, but they are constantly inspected. In spite of this the spoilage and wastage is high and the service is poor, and housewives spend much time standing in line. There is no delivery service and no credit granted. Retail trade is under the direction of the Commissariat of Trade with a separate organization in each Republic. The number of persons employed in these vast organizations far exceeds the number of former storekeepers, salesmen, delivery men, etc.

### The Russian Worker

Theoretically the workers are the aristocrats of the country. They should have the large incomes, the best houses, plenty of food and the high living standard that was promised them by Marx and Lenin. Actually, we find in Russia today that the lot of the average worker or laborer is a hard one. He cannot work at the job



he would like to, but must take the kind of work that is given him.\* He may be sent to another part of the country even though he would prefer to stay in his home town. If he does not show up at his assigned job without a very good excuse, he is sent to the dreaded concentration camp. Being late for work in spite of poor transportation facilities—is severely penalized—first by having his pay check docked and later by imprisonment. A worker cannot go on a strike, neither can he picket. Strikers are shot.

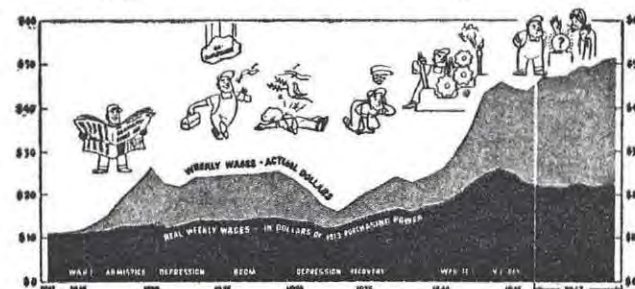
### The Inequality of Wages

When the Bolsheviks took charge they put into effect in 1918 the communistic idea of equal wages to every one. They soon saw that this did not increase production—on the contrary production declined alarmingly. Today the most unequal wages in the world are paid in Russia, and there is no minimum wage. 75% of the workers are paid by piecework with assigned norms—43% on straight piece rates plus bonuses and 32% at progressive piece rates. On this "sweat shop" basis, thus there is a wide variance in earnings of the workers. Some workers earn twenty times more than others in the same factory.

Russian executives receive from 15 to 25 times the wages of a worker; whereas in the United States the executive receives on the average only from 8 to 12 times the wage of a skilled worker. Russian executives get large bonuses, have fine houses to live in, the use of luxurious furniture, better food, and the right to send their children to college. On the other hand, they run great risks, as their jobs and even life itself is uncer-

\* According to Joseph E. Davies, millions are not working in the kind of work they want to do.

Thirty-five years of U. S. Factory Workers' Wages in Dollars and Purchasing Power.



Earnings jumped from an average of \$11 to more than \$50 a week. Much of this went to meet increased living costs, but a gain of over 100 percent in real wages was registered between 1916 and 1947.

tain. If a manager makes a serious mistake or fails to produce the required quota, or displeases higher authorities, he may be sent to the labor camps or to the firing squad.

In the army a private earns 10½ rubles a month, a non-com 130 rubles and a captain, 1700.

### Real Wages Lower in Russia

From the report of Dr. Solomon M. Schwarz, a specialist in Soviet economics as published in *Modern Review* in May 1948, we learn that real wages\* in Russia have declined 50% in the last 20 years. Compare with American non-farm workers whose real wages increased in the last 20 years 50%—and this includes 10 years of depression and unemployment. (Journal of the Am. Statistical Asso. June 1948.)

\* Real wages may be defined as the relation between income of a worker and his expenditure for living costs. In the U. S. the cost of food and rent has increased 70% since 1939 but wages have increased 100% or more in many industries, so the standard of living is up 30%.



From 1928 to 1938 real weekly earnings of wage and salary earners in USSR declined 20% in purchasing power. From 1938 to 1948 they dropped 40% while the hours worked increased. The Russian people get free health and medical care and free insurance, but these social services are a small part of the cost of living, and they have not increased as the latter has gone up. Every member of the family must work, and women of all ages even in heavy industries. (In 1939 the proportion of women as manual workers was 43.4%.) The work week is now 48 hours. In addition the average wage earner works in his garden, which even in the cities is an important source of food supply. There is no overtime pay. No short hours promised by the Socialists, and no vacation except for a few favored ones.\*

### Labor Unions

The labor unions of Russia are in no respect like those in the United States. The function of union officials is to try to speed up the work and increase production. A labor leader dare not complain about wages, working conditions or the mistreatment of individuals in a plant. Any man or group of men who strikes is sent to the firing squad immediately.

### Farmers and Peasants

The rural population in 1939 was about 115 million or 67% of the total. They live in small villages and on 3,961 state farms averaging 6,651 sown acres, and 242,400 collective farms averaging 1,198 sown acres. The

\* Only about 3 million workers, 10% of the total, enjoy holidays at the expense of the State. A holiday at a rest home is promised, but it only comes once in 20 years to the average industrial worker, and workers earning over 300 rubles per month must pay 80% of the cost of the "rest."

state farms are run by state-appointed managers and hired labor, producing in 1937 only 9% of the total agricultural production. The collective farms, or co-operatives, lease the land from the State. About 75 families run each such farm, and after paying the State 2/3 of the produce in kind for rent, and paying the managers and technicians the charge for the use of tractors and machinery, they divide up what is left. Each member must contribute so many work days. Not all collectives operate profitably. Furthermore, they are directed by Government agents and work under production quotas.

The collective is run by a committee from the membership, but numerous agents and officials from the outside attach themselves to each collective. In 1938 there were 384,389 chairmen of inspection committees. In addition there were 1,530,000 chauffeurs and mechanics at the tractor stations. Thus the peasants must pay for these approximately 2,500,000 parasitical helpers.

Each member of the co-operative is given one or two acres for his own use. He may grow anything he likes on his own time, and he may sell this produce on the open market and keep the cash less taxes. These small plots furnish nearly one-fourth of the total agricultural production of Russia. In 1938 the average member gave 47% of his labor hours to the co-op, 33% to his private plot and 20% to his home.\* Some peasants have made money, particularly during the war. There are many inequalities in this almost feudal system. Most of the

\* In July 1948 the Soviet Government raised the taxes of these small one-acre home farmers. And in its effort to combat "private property tendencies" issued a decree to put farm wage payments on a piece work basis. Hundreds of thousands of collective farmers were called "grafters" and "idlers." Some gave only 40 labor days to the collective, the rest of the time to themselves.



farmers do not like it. Only  $\frac{1}{2}$  of 1% belong to the Party whereas in the cities the ratio is 5%.

### The Bureaucracy—An Old Man of the Sea

In 1917 government employees numbered one million. By 1927 there were 4 million and by 1941, 10 million, which did not include some 2 or 3 million in the MVD, employees of the Party, the Komsomol, etc. This total of 12 or 13 million comprised about 17.5 per cent of the population. With their families some 25 to 30 million get their living from government service. Thus 35% or 40% of the population are non-producers, and must be supported by the remaining 65 or 60 per cent.\*

The enormous number of employees is necessary in the attempt to control every detail of the economy. The inspectors, checkers and supervisors, the agents of the MVD in every factory and on every farm, and the clerks to handle the reports require many men and women. For instance, the trade unions in industrial plants have numerous paid employees—117 for the plant committee of a rubber factory in Leningrad. The Union of Coal Miners had 742 employees in 1940. This is just to run the business of the Union whose activity is restricted.

In the USSR with its planning and check ups there are 2 million economists, statisticians and bookkeepers—more than anywhere else in the World! The bookkeepers number 1,700,000 and are divided into ranks as in the army.

A comparison of an electric power generating station in South Amboy, New Jersey, with one at Kemerovo, Russia, shows the inefficiency of Communism. The two

\* It is interesting to note that those in the government service are the former aristocrats, merchants, bourgeoisie or their children.

plants are identical in output. Whereas the Soviet plant employs 480 people, the American plant employs only 51. The paper work in the American plant is done by 17 office workers and 91 in the Soviet plant. In the United States it takes two men to produce a thousand kilowatts of electricity. In Russia it requires 11 men to produce that amount.

### Education

It is the general belief that Russia gives free education to everyone. Communists boast that any Russian can become educated. Actually only the children of plant managers, party officials, military officers, writers and actors and the well-to-do go to college. Tuition fees for both high school and college are expensive, and only those with more than average incomes may obtain a higher education. Membership in the Komsomol is almost necessary in order to obtain a higher education. In 1945, out of 180 million people, only 560 thousand were college students. In the United States out of 140 million people, there are 2½ million college students. However, the Soviets spend large sums for education, and more peasants are college graduates than ever before.

### Religion

In Russia people are permitted to go to church on Sunday, but they are not allowed to publish religious books and parochial teaching is prohibited. The teaching of Hebrew and the Jewish faith is forbidden. Church bells may not be rung. In November 1947, the Central Committee of the Communist Party handed down a ruling forbidding its members to go to church or to have anything to do with religion. In August 1948 an article in *The Young Bolshevik* states that a Komsomol as well as



a party member must be an atheist and must work positively against the religious belief of others. A Moscow professor wrote in the *Red Star*, Aug. 18, 1948, that religious faith must be stamped out by "systematic, scientific, anti-religious propaganda."

### Caste and Class

One of the appealing principles of Communism is that society should be classless. All are equal. But this is paradoxical, because Communism, which is classless in theory, starts off with the working class as the ruling class.

In Russia today with its supposedly classless society, there exists one of the most exclusive aristocracies in the world.\* This consists of the group of less than 20,000 men† who rule Russia. In addition to the leaders of the Communist Party, the heads of the Komsomol, commissars, plant managers, officers of the army and navy, professional men, musicians, actors, dancers, and writers form the new aristocracy of Russia.

In spite of laws against racial prejudice the ugly spectre of anti-Semitism is now appearing. Jews are discriminated against in the highest military and governmental services, and in the Ukraine a definite anti-

\* The privileges and trappings of caste are everywhere. Chamberlin noted seven different dining rooms in the big steel works at Magnitogorsk, and W. L. White found "segregation" in different dining rooms of a large motor factory. The increase of domestic servants is an indication of the aristocratic trend. With barely any in all Russia in 1923, there were over 400,000 domestics in 1932. Since then the number has doubled or trebled, but the Government is silent on that subject.

† At the top are the 14 members of the Politburo. Under them are 80 commissar-generals. Then come 8 or 4 thousand of the high command. Under these are from 10 to 15 thousand commissars and officials. All these together really run the Party of five or six million members. And party members usually have the directive jobs all over the country.

Semitic sentiment is developing. In fact the plight of Jews in Russia is sad. Of 150,000 Polish Jews who fled from the Germans, one-third died in six years. They were sent to Siberia and forced to labor with criminals and other "enemies of the people." Thousands of Zionists languish in jail.

### No Freedom of Speech

One is not free to say what he thinks in Russia. If he makes any comment against Party policy or against individual members of the Party, he is punished with imprisonment or sent to a concentration camp or even executed. He cannot start a newspaper or print a book without permission from the Government. Everything that he writes or says or speaks over the radio is censored. He cannot hold a meeting of protest, and a Russian would not dare to sign a petition against the Government or the Party.

A Russian citizen has to be careful what he says to people from other countries. If he gets too friendly with an American business man, he is moved to another part of the country or even liquidated. On Feb. 15, 1947 an order was promulgated forbidding the marriage of Soviet citizens with foreigners—an unparalleled prohibition. Some fifty Russian women who had married British and American husbands were not permitted to leave Russia with their husbands.

### Shackles on the Arts

Playwrights cannot write the kind of plays they want to. Every writer must bring into every book some propaganda about Communism. Strangest of all, the rulers of the country concern themselves with music. Only



recently they accused the "big three" in Russian music, including Shostakovich, of writing bourgeois music.\* Just what bourgeois music is no one knows. If Stalin goes to the opera and does not like the music, he denounces the composer. Shostakovich was ousted from his chair at the Moscow Conservatory of Music. One important music critic and his entire family were arrested and imprisoned.

The famous moving-picture producer Eisenstein was forced to make propaganda pictures. Because in one or two pictures he omitted to bring in such propaganda, he was censured. He died recently either of a broken heart, or as some allege he was murdered.

Literature, too, has its martyrs. The outstanding writer of the post-revolutionary period, Isaac Babel, author of *Red Cavalry*, has not been heard from recently and nobody knows what has happened to him. Another famous author, Boris Pilnyak, has disappeared. When in favor the writers are among the largest earners in Russia, but in disfavor they lose their royalties and their perquisites and sometimes they are liquidated. The poet Akhmatova and the short story writer Zashchenko disappeared from Soviet literature in the purge of 1946.

In the realm of science the Government also shows its iron claw. Anton Zhebrak, internationally known biologist, has just been disgraced because he disagreed with one of the political scientists of the Russian Academy of Sciences. This reminds us of the death of

\* The *New York Times* correspondent in Moscow said that it is evident that the Politburo has resolved to "purify music along the lines of simple rhythm to which workers can beat time and hum as they try to accelerate production."

Vavilov, a famous geneticist, in a concentration camp in 1942 because of his scientific belief.

In January 1948 Varga, the chief economist of the Soviet State, was ousted because of one opinion he expressed—that no economic crisis loomed for capitalism and that Russia and the West could collaborate. Although he is one of the greatest Marxian economists of his time and through the years has helped to formulate his country's economic policy, being Stalin's personal adviser, he is now disgraced.

Neither can artists paint or produce sculpture that does not appeal to the authorities. Painting in the Soviet Union has been reduced to calendar art. One artist said in an interview that of about 5,000 listed as painters in Russia, only a few are allowed to paint what and where they wished. All must paint what the Soviet officials want them to paint.

Thus, in science, art, literature and music there is no freedom of expression.\* The result of such a policy is a deadening of the creative arts. How dull and inert is the cultural and intellectual life of Russia! To use Nietzsche's appalling phrase, "Intellect has been castrated."

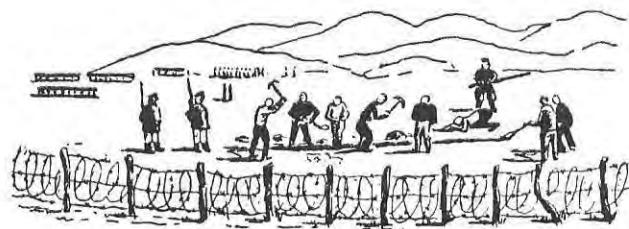
### Secret Police

Perhaps the most terrible feature of life in Russia today is the power of the M.V.D. or secret police. This organization has its spies in every town, every work shop, every collective farm, in every large building. It even sends its representatives with ambassadors to foreign

\* The purge of 1936 and 1937 affected music, architecture, painting, sculpture, literature, ethnography, jurisprudence, economics, psychology, philosophy and genetics. Anyone deviating from the Party line in any field may be treated as an enemy of the state and charged with wrecking, sabotage or counter revolutionary activity.



### Concentration Camp



countries to spy on them.\* The M.V.D. has power to arrest persons without even a *lettre de cachet*, and send them to concentration camps or "liquidate" them without trial. There is no *habeus corpus* writ or bill of rights for their protection. The M.V.D. arrests a person for a "socially dangerous" act, or for being an "enemy of the people." Its torture chambers break the body and spirit of the bravest and hardest. The lives of all the Russian people are clouded with the fear of the M.V.D. No one knows when the sinister representative of this monstrous institution will knock at the door—usually at two o'clock in the morning—and take away loved ones maybe forever. The M.V.D. is the accuser, judge and executioner. When workers in the concentration camps† are killed off, and the production managers need replacements, they order the M.V.D. to bring in more laborers. As did the slave catchers of

\* Oumansky, former Soviet Ambassador to the United States and while ambassador to Mexico, was killed in an airplane "accident"—probably by the M.V.D. The Kremlin hunted down Trotsky from country to country and finally killed him in Mexico City.

† Competent observers estimate that from 15 to 20 million people are in the dreaded labor camps. Many of these are political prisoners and are among the best educated and most intelligent of the Russians. The large labor camp population continues year after year.

old, they go out and pick up harmless and innocent people and send them without trial to a slow death.

### The Government Robs Its Own People

In December 1947 the ruble was devalued 90%. This was the same as taking 90% of every individual's cash in his possession or of his bank savings by the Government. At the same time the Soviet Government cut the subsidy to mothers for bearing children 50%; and it took away various privileges from millions of soldiers who used to ride free on the street cars, trains and boats.

### The Horrors of the Russian Way of Life

Under atheistic and heartless rulers human life is cheap. Since people have no immortal souls, what difference does it make if millions of them die? The authorities do not worry about justice to one individual or even to millions of people. The people are what Aristotle calls "animated machines."

A person living in Russia has no freedom of movement, speech or belief. With low incomes, most Russians do not have enough to eat or clothes to wear. The M.V.D. hangs like a shadow over the lives of all.

At the end of 30 years the Russian Government has not solved the problem of production. On the contrary, goods cost more to produce than under the capitalistic system, and there is less production.

Graft and corruption in the Soviet Union today are widespread. Documents are falsified to increase production figures. The production of shoddy goods is general. This according to *Trud*, *Izvestia* and *Pravda* as quoted in the New York Times, April 25, 1948.



### Nobody Migrating to Russia

Many people would like to visit Russia as tourists, but nobody wants to go there to live. In fact, if the rules against emigrating were abrogated, millions of people would leave Russia as fast as they could get out. The reason is that life is terribly difficult in that country today. Not only is food and clothing scarce and housing difficult to procure, but the rights that we have always thought belong to human beings hardly exist at all in Russia.

Although the Bolsheviks have been in charge for a generation, they have failed to make Russia a great, happy land flowing with milk and honey, which they said they could do under the communistic system. It is hard not to believe that if American business leaders had taken over Russia with its magnificent natural resources and 180 million people, energetic and willing to work, that under our system, the country would not be in a more flourishing condition than it is at present.

Communism in Russia hasn't made good. It has failed on a great scale just as it does on a small one, and it bears out the dictum of Plato enunciated when he was an older and wiser man that Communism is an ideal arrangement but too good for human nature.

\* \* \* \* \*

### Why Socialism Fails

Socialism means government running all businesses. Since governments are inefficient and are not over successful as political institutions, when they undertake to direct the economics of a country, they add to their administrative troubles and become even less efficient in a more complicated field of activity.

Gaylord

The reason that governments are inefficient as governing bodies and would be more inefficient in managing business institutions is very simple. Two old sayings tell why—first, "Everybody's business is nobody's business", and, second, "Too many cooks spoil the broth." Government officials spend other people's money, and they want power.

A government is in fact a large committee representing the people. We all know the definition of a committee. "A committee is a group of men that takes three weeks to do what one efficient man would do in three hours." That is the reason groups of people large or small cannot manage anything as successfully as can individuals. Whether it be 5, 5 hundred, 5 thousand or 5 million people, the principle is the same. There is conflict, dissension, indifference, inertia, delay—with a few scheming to run things. This is called politics. Children know that "politicking" starts at school. Scheming for place, power and other advantages goes on in fraternities, clubs, churches and social life. Things are run by the inner circle or "the old guard." Thus, when we apply this principle to a state or nation with a population of millions, we find that democracy bogs down. And autocracy or dictatorship does too for that matter.

### The Problem of Government

The problem of government is easy to understand. Its chief function is to protect people from themselves. If you do away with the police in a big city, and turn out the lights, in 24 hours the criminal element would take charge. Life would be unsafe and property insecure. There would be murder, rapine and anarchy. Therefore, we must have a police force and lighted streets in order to prevent 5% of the population from taking our



property and our lives. Government, then, protects us from the 5% with criminal tendencies and the 2% insane. It also protects us from the probable 10% who are endeavoring to seize power and obtain undue advantage through ruthless and unfair practices. Persons of this type must not be allowed to impose on others. If all men were honest and just, we would not need government. The majority are peace loving and honest and willing to live and let live. It is the minority that we must restrain.

In a broader sense the function of government is to protect a country from its foreign enemies. In our complicated civilization, it must likewise regulate international and national commerce, control the circulation of money, establish schools and hospitals and preserve the resources of the country. It should not, however, endeavor to govern or dictate the detail of every person's life. Governments are instituted for the people—people were not made for the state. We want our government to be our servant, not our master.

### Governments Are Imperfect

Various forms of government—dictatorships, limited monarchies and republics—have flourished in historic times. So far the republican form of government or a democracy seems to be the best.

But, as we also know, democracies are far from perfect. Our experience in the United States with the "rings" that operate in the large cities, graft, "log rolling" and "pork-barrel" legislation show that our form of government is wasteful and inefficient. But we are willing to pay that price for the freedoms we enjoy. We just don't want to carry this inefficiency too far into our economic life.

### Government in Business

However, various divisions of our governmental structure from municipalities on up to the national government already conduct many businesses. Most cities have their own water works system. There are publicly owned hospitals. The United States Government runs the T.V.A. and the Mississippi River Barge Lines. (In the last two instances if the operations were charged with taxes as are private enterprises they would not earn a profit.)

The inefficiency of most businesses run by cities, counties and state governments is known to all. Although there is some graft,\* that is not the great difficulty. The managements are often political appointees chosen, not for ability, but to pay a political debt, and the payrolls are loaded with "deadheads"—two people to do the work of one. But more important, as the managers do not personally gain when the business or activity shows a profit, or suffer demotion or a cut in salary when it shows a loss, they have no incentive to be efficient.

It is useless for me to point out the money-waste in enterprises conducted by our National Government and its subdivisions. It is all around us, and great institutions like the Army, the Navy, the Post Office are glar-

\* In June 1948 the municipal government of Philadelphia became involved in a major scandal in which it was charged that millions of dollars were lost through inefficiency, waste and speculation. There was an outright theft of \$2,000,000 from the tax collector's office. In Collier's for Aug. 7, 1948 an article exposes the corruption in Philadelphia. A committee found petty graft, bribery and padded payrolls—100 matrons making beds for firemen many of whom sleep at home. All this in the City of Brotherly Love where human nature should be better! This is only one instance of similar scandals that continually crop up all over America.



ing examples of costly bureaucratic management, although sometimes extremely efficient in performance.\*

Anything that a government does, whether a democracy, or an autocracy as in Russia, is done inefficiently and in a more expensive manner. Therefore, when the government attempts to run a business or enterprise it appoints committees, bureaus and "authorities". Politically minded, their operations will cost the taxpayers more than if conducted by private enterprise seeking to earn a profit.

#### Private Enterprise More Efficient

Business is best managed by an experienced individual who has the power to make quick decisions and who can use his best judgment. In a private business, if the manager makes an error of judgment his company suffers. If he makes too many errors he loses his business or his job. He has to be right most of the time. His own money is often back of his judgment. In a government office or bureaucracy the official in charge works by a rule book. He often delays a decision while he passes the buck to some higher authority. If he makes an error of judgment, it does not cost him anything personally, but the government pays the loss. He can make mistakes for years and as long as he has political friends, he may never lose his job. A business privately owned would soon be wrecked by the incompetence of its manager.

But governmental affairs are decided upon by politicians, who depend upon the votes of the public. And

\* Only recently a buyer for the Bureau of Internal Revenue bought nearly 100 million 1946 income-return blanks too many. These were found scattered around the various offices of the country after the reports for 1946 had been filed. There is no mention that the man who made this costly mistake, and wasted paper so badly needed by industry, lost his job or that he was even reprimanded.

these votes are often won by fallacious arguments, promises or even downright lies. Private enterprise is bound to be more efficient than governmental management.

#### A Planned Economy

The production and distribution of goods by the State implies a planned economy. This means that the government will decide not only when and how and what goods are to be produced, where and how they are to be sold, but what the price shall be. It will likewise limit the number and select the persons that go into any kind of business or profession.

This elimination of competition appeals to many. It finds favor even with some business men. The theory back of this idea is that where there are too many doctors, we should limit the number of doctors that are graduating. If there are too many printers—and some printers are having a hard time making a success—then we ought not to allow anyone else to go into the printing business. If grocery stores are failing—and it is difficult for many of them to make money—under a planned economy the government would not permit a new-comer to open a grocery store.

Thus competition would be regulated or even destroyed. Monopolies would be established. But worse, inefficient and badly managed businesses would set cost standards for others to follow. There would be no opportunity for an ambitious, energetic man with ideas to enter business. A Henry Ford would never have a chance under this system.

The idea of a "planned economy" is very appealing. We tried it in the U. S. fifteen years ago under the N.R.A. Other countries are trying it today. For in-



### What Bismarck Said About Marxism

*If every man has to have his share allotted to him from above, we arrive at a kind of prison existence where everyone is at the mercy of the warders. And in our modern prisons the warder is at any rate a recognized official, against whom one can lodge a complaint. But who will be the warders in the general socialist prison? There will be no question of lodging complaints against them; they will be the most merciless tyrants ever seen, and the rest will be the slaves of these tyrants.*

stance, I read that in Bulgaria State planning has almost ruined the legal profession. Many classes of persons are deprived of the right of being lawyers. The government keeps control and may take a name from the list of licensed attorneys for many reasons, such as "manifesting fascist tendencies."

In England the Government has nationalized the major industries of coal, electricity and transportation. Because of dissatisfaction with the method of handling these industries, decision to take over the steel industry has been delayed. The coal industry was nationalized 20 months ago, and it was expected that more coal would be mined and prices would be lower, once the profit motive of private ownership had been removed. In May 1948 the production specialist of the National Coal Board resigned his \$20,000 a year job because of the inability of the Board to operate effectively. Coal production is running 100,000 tons weekly short of the quota set. At one mine several hundred miners refused to carry out orders of the Board, and production was reduced a half million tons of coal. At another mine 500 miners are producing 50 tons less per day than in 1946,

the year before nationalization. Absenteeism is more frequent. Less coal is being produced in England today than before the War.

In England there are all kinds of quotas, allocations, priorities, licenses, regulations and controls. These cause trouble and delay. If a workman, in repairing a house breaks a window, the home owner would be fined if the workman replaced the window without getting a license to do so. Winston Churchill has said that England today is not producing as it should, because of too much government in business.\*

In Austria, the Russians have taken over the industries and are attempting to run them. Industries that were formerly making a profit are now beginning to lose money. Believing that capitalism was simply a process of profiteering, the managers of these industries set aside no capital reserve, allowed nothing for depreciation and raised wages for political purposes. The Russian military bank has loaned 15 or 20 million dollars to these industries, but it cannot get its money back.

In France various industries have been nationalized, but it is not working so well. In a debate in the National Assembly on June 22, 1948, speakers charged that political parties used these industries to give jobs and sinecures to their supporters. The newspaper *Figaro* estimated that the deficit of the nationalized industries to date had reached 80 billion francs.

The two reports showed that the aviation motor industry hired 23,000 men when only 11,500 were required. Much of this extra manpower was for white collar clerks. A nationalized factory took 3,000 man-hours to

\* In a speech at London on June 12, 1948, Mr. Churchill said that the Government's nationalization program was a demonstration of failure and that State ownership of basic industries had brought higher prices and increased costs.



recondition a plane, three months to do it, and a cost of 600,000 francs. A privately-owned factory took 1500 man-hours, one month, costing 300,000 francs. The Renault auto factory is state owned and the Citroen privately owned. The latter makes as many autos as Renault at a profit. Renault's has cost France over two billion francs.

Belgium was considering nationalizing her coal mines and sent a committee to France to investigate. It reported: "The mixture of politics with industry is disastrous," and recommended continued private ownership of the mines.\*

### An Engineer's Dream

The theory back of a planned economy sounds wonderful. We find order, efficient planning, every part of the economy dove-tailing with other parts and the avoidance of waste. There will be no losses of capital by individual enterprises, no unnecessary competition, no interlopers starting new businesses or new lines of old business, no advertising to take business away from one firm to another, no price "anarchy", no strikes, no profiteering—everything controlled by the planning board. But the question is—are the men at the top always right? Do they always know and employ the best methods? Do they never grow old and become inhospitable to new ideas? In a word, are they super men?

\* Baron D. Lettenhove of Belgium, while on a visit to the United States, states the case against Socialism in a nutshell, "When you nationalize an industry, the government takes all the fruit of the work, so what is the use of working? I know a manufacturer in France who before Socialism came, used to work in his office until six o'clock every night. Now that his business has been taken over by the government, he no longer tries. He is on the golf course every afternoon at four. What's more the government was never made to run business. To run it right you have to be born with it. The government is a business amateur."

### Socialism Weakens the Morale of A People

The philosophy of Socialism weakens character instead of strengthening it. Socialism promises security, and offers to lift the burdens of life from the shoulders of the individual and place them on the broad back of the State. It promises to free the individual from financial worries, remove competition and abolish or ease the struggle for existence.

Looking back through history, we find that the peoples that have progressed and developed lived in the temperate or colder climates where they were forced to struggle to survive. Those who live in the tropics "where the sun is warm and Allah is good" do not have to struggle for food. All the year round they can pull coconuts, bananas, fruits and berries from trees that grow plentifully without cultivation. They do not have to take thought of the morrow. Hence they become lazy and do not learn to save. In northern climates men are forced to lay up in the summer time nuts and dried foods to feed themselves in winter. This inculcates thrift as well as foresight. They must clothe themselves and build dwellings to keep out the cold. The climate encourages initiative and invention. The struggle to survive is severer but it develops character.

The great United States of America was founded by individuals who received no favors from the state and expected none. With courage and self-reliance they crossed the mighty ocean to become pioneers in a new country. They fought the Indians, cleared the forests and built their homes. Our ancestors were men of character and determination. They were individualists.

During the 125 years that began with the Nineteenth Century, America was indeed the land of opportunity.



Not only did it offer this opportunity to ambitious and energetic descendants of the pioneers, but millions came from all the countries of Europe to settle here, make money and achieve success. They did not have the help of the Government. They depended on their strong arms or fertile brains. All they asked was a chance to make good, and to be permitted to reap the results of their toil.

Those were the days when young men looked forward to achieving success through their own efforts. When the virtues of hard work, thrift and honesty amply rewarded him who practiced them.

On the moral side Socialism is disintegrative. It promises too much help. "The problem of life," says Dean Stanley, "is not to make life easier, but to make men stronger." Life is a continuous struggle. A baby, as soon as it is born struggles to breathe. It fights to survive. It must do this all through its days. Character is formed by putting up a fight and by overcoming obstacles.

Children of rich people with their every want satisfied often turn out badly. Many young men and women are ruined by great wealth. If children are pampered and protected too much, they become spoiled and too dependent. Socialism pampers. It attempts to do away with the struggle. It will breed a nation of lazy, dependent weaklings.

It will be a sad day for our country and for the world when young people are made to believe that they can "take it easy" and that "the Government will support you no matter how shiftless and inefficient you might be." Youth with life before it, which sees the world as an oyster to be opened, will not dream of great accomplishments. Hope itself will be dulled.

## What Is Capitalism?

Capitalism is not easy to define. The word is something of a misnomer. It connotes a rich man in his club, luxury, a diamond pinned bondholder smoking a Cuban cigar; a hard and grasping Scrooge—a gradgrind that squeezes the last dollar from horny-handed sons of toil.

Cartoonists of a generation ago pictured the capitalist as a bloated individual in a suit covered with dollar marks, cracking his whip over a gang of laborers. This same style of cartoon has been used in Russian propaganda since the Revolution. It has the effect of visualizing or bringing to the mind the idea that a capitalist is contemptible and despicable. Thus we are taught to hate so-called "capitalism."

Now capitalism is not a man, it is not Wall Street, it is not the Bank of England, or the Federal Reserve Bank. It is not a great corporation. Capitalism is a way of life. It is a condition in which any individual may save his money, accumulate wealth, own property and use this stored up wealth to produce more wealth. He may lend his money to someone else for production or he may operate his own business.

Capitalism is free enterprise. It means freedom of action where initiative, inventiveness and imagination are free to play their part. It is a state of mind. It is a healthy psychological attitude—it is faith and hope in the future.

Capital itself is the result of thrift and self-sacrifice. It is accumulated labor—"bottled sweat." It is the surplus that remains after the expenses have been paid. Capital is civilization, for savages do not save.

Capital is not ferocious. On the contrary, it is timid. It can do many things but it is not so strong as is sup-



### MARX ON CAPITALISM

Marx himself admitted that Capitalism, which he termed *bourgeoisie*, was efficient. Read what he says in the *Manifesto*:

*It [the bourgeoisie] has been the first to show what man's activity can bring about. It has accomplished wonders far surpassing Egyptian pyramids, Roman aqueducts, and Gothic cathedrals; it has conducted expeditions that put in the shade all former Exoduses of nations and crusades.*

\* \* \* \*

*The bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all the preceding generations together.*

posed. Else Croesus would not have died on the funeral pyre. In later years the Medici, or even the Rothschilds, might own all the wealth. Not he who owns the gold controls the iron needed in war, but he who has the iron gets the gold. For capital to thrive there must be a stable government with equitable and non-restrictive laws. And wars destroy wealth.

Capital is better accumulated by individuals. In fact, the State does not accumulate wealth. Governments are wasteful. They never save, they use up wealth. They do not produce—they only consume.

A thrifty populace with many small businesses betokens a prosperous country with a high standard of living. Under such conditions anyone can change his place and go from the bottom to the top. There is opportunity for the energetic, ambitious and bright person under a system of free enterprise. That is what capitalism offers—opportunity and the right to rise.

### Capital Is Necessary

Capital, which is the result of thrift or what is left over and above all expenditure, is necessary to bring about a high standard of living.

In the United States work hours per day have gone down, wages have gone up, purchasing power has increased in the wake of a steady rise in horsepower. The daily horsepower-hours of mechanical energy available per capita in 1939 in the United States were 11.9. In Russia, 1.9.

Horsepower requires machinery and plant equipment. This is capital. In the United States in 1940 working capital and capital invested in plant equipment in all manufacturing industries was \$6,200 for every worker. In certain industries like the chemical industry, it required a \$17,000 investment to give a job to one person. The railroads of the U. S. have invested over \$20,000 for every employee on their payrolls. In 1940 in the United States there was \$5.00 capital invested for every dollar paid in wages in all industries.

This money was saved by individuals or accumulated from profits. The greater the accumulation of capital the higher the standard of living. I want to point out that capitalists and rich men must keep their money at work. Money at work means people at work. Large sums of money controlled by individuals will be put to better use than when controlled by the State. But all the wealth under capitalism is not owned by the few.\* Today in the United States wealth is widely dispersed.

\* Socialists, demagogues, and shallow thinkers dwell on the alleged fact that 5% of the people own 90% of the wealth. Books like "60 Families Control America", "The 200 Owners of France", emphasize the belief that the rich are getting richer and the poor poorer—a Marxian postulate but fallacious. All this implies that



## Profit Now Said to Be Immoral

Spreading everywhere is the idea that it is wrong to make a profit on a business transaction. Trade is objectionable to some because it appears that only the seller makes a profit. Actually, in every trade or transaction both parties profit, as can be shown. And, of course, Socialists say that if any profit is made it should go to the State.

The trader or business man has often been looked down upon by the military, the priesthood, courtiers and land owners. Trading seems mercenary and sordid. Yet it is trade that has developed civilization. Nations that are not trading nations never become civilized in the modern sense. Civilization first developed along the shores of the Mediterranean because the various peoples living on its littoral were trading peoples.

The Phoenecians, the Greeks and later the Romans were all trading peoples. During the Middle Ages trade was fettered by too many local taxes, robber bands, poor transportation and the restrictions inherent in the feudal system. Merchants were not free to buy and sell or to import and export. It was the Dark Age of economics as well as civilization. There was no manufacturing, little trading and few merchants and business men. When returning crusaders brought to Europe the luxuries of the East, traders attempted to supply the demand, and explorers started out to find an easier way to the Orient. It was because of the desire to trade that Columbus discovered America.

the benefits of wealth or capital are divided in accordance with its ownership. Under this theory the only people who benefit from railroads are the stockholders. Society, or the people, benefit from wealth wisely and efficiently employed no matter who owns or controls it.

Gradually, the barriers against trading—first national and then international—were broken down. As the cities grew, manufacturing and industry became as important as agriculture. The guilds arose. Banks were established and business and trade became an important part of life.

One of the most troublesome restrictions was the prohibition against charging interest on borrowed money. During the Middle Ages, usury—even a small interest charge—was a mortal sin as well as being against the law of the state.\* In England under Henry the VIII and Queen Elizabeth, the laws against usury were repealed, and England began to advance as one of the great trading nations of the world. Thus, we see that the idea that earning a profit is wrong is something akin to the idea that charging interest on money is wrong. It is a very old idea.

## The Merchant's Profit

Today it riles people that merchants or manufacturers should make a profit on the goods they sell. When the customer of a store who buys a \$40.00 suit knows the storekeeper's mark-up is \$12.00, he reasons that if the State were to sell the suit, he would get it for \$28.00. (The Russian Government is trying to save money for its citizens by taking charge of distribution. The people of Russia know how terribly wrong is that theory. It not only costs the Government more to sell that suit, but the suit *when* it is obtainable is shoddily made.)

The storekeeper's profit of \$12.00 on the \$40.00 suit is his *gross* profit. His net profit is small and some-

\* The philosophy back of this theory is based on Aristotle's doctrine that Time belongs to everybody. Charging interest is charging for Time, hence it is immoral.



times turns out to be a loss. The merchant has to pay his overhead, such as rent, clerk hire, managerial service and expenses of all kinds. The state-run store would have the same expenses as a private operator, but the managers and clerks would have no particular interest in the business. It would not be run as efficiently as a privately owned store, and they would not give the customers the same service.

### Buying Goods at a Commissary

It is said there are too many stores in the United States and that it costs too much to distribute goods. But under a state-owned system of distribution costs would be higher. The State would limit the number of stores, but more important, the tendency would be to limit the type and variety of articles to be sold. Instead of having ten different styles of shoes, perhaps only five would be made. Goods would be sold at State stores located where the State decides they ought to be, very often not convenient for the customer.

Anyone who has lived in a logging camp, or on a large plantation where the commissary was run by the owner without competition, knows that the customers take what the commissary has to offer for sale. Customers do not get what they would like to buy. There is no accommodation and no "service." The effect would be the same in State-owned stores.

The competition of manufacturers and the competition of retail stores gives to the American people the greatest variety of merchandise that the world has ever seen at reasonable prices. The distribution of merchandise is so widespread that you can go to almost any city or village in the United States and obtain what you

want when you want it. So called capitalism has brought this about.

### Why the Profit Motive Is Necessary

The profit motive is based on human nature. Selfishness and self-interest is the first law of nature. Human beings have survived on earth because of this elemental law. It is, therefore, a good law. However, under modern civilization and under the Christian dispensation, we attempt to tone down extreme selfishness, and guide self-interest the way it should go. An enlightened self-interest is probably the greatest force for good in the world. In free enterprise the business man in seeking his own best interest is lead "by an invisible hand" towards contributing to the general good, says Adam Smith.

The motives that urge men are acquisitiveness and love of power. When allowed to run wild, of course, they do harm, but when harnessed and directed for society's good, they bring about the benefits of a grand civilization. The profit motive drives private enterprise to make things better and sell them cheaper in order to earn more money.

### Profits Difficult to Earn

Let us look at this ogre of profit. Is it so terrible? Actually many of the people who go into business do not make money, but lose it. From 1936 to 1939 nearly 60% of the 400 thousand corporations in the United States showed no net income.

At the end of 1947, there were something like 3,800,000 businesses in the United States. This includes everything from the United States Steel Corporation down to the peanut vendor on the corner. 98% of these



### THE IMPORTANCE OF A FREE MARKET

*The phenomenon of the market is itself one of the most democratic forces ever devised. It determines whether there shall be more beer, more petroleum products, more retail outlets, and more housing rather than more industrial plants, more coal, more blacksmith shops, and more outmoded styles of apparel. It also determines the success of particular types of housing, particular styles of clothing, varied types of public eating accommodations, public amusement. It depends upon the individual whether he spends more for milk or fruits and vegetables or liquor or household furnishings or books or the latest automatic fountain pen; whether he chooses to spend or save without regard to the standards or wishes of a Government department. Our choices are free, limited only by the amount of money we can make and the ingenuity of our collective intelligence to furnish anything the people may want to buy.—Communism, a study prepared for the U. S. House of Representatives.*

businesses are small. In 1942, for instance, only 62 thousand businesses had more than 15 employees. 7/8 of all businesses had only one to three employees or none at all except the owner.

In the United States there are something like 10 thousand new businesses opening up every day. Depending on conditions, about the same number go out of business daily. Recently the number of those discontinuing has been considerably under the number of new businesses started. But the fact that at least five thousand and businesses stop every day, proves that most are not operating profitably.

It is not easy to run a business successfully. It takes a good business man to employ other people, pay them

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*The poverty of India is due in great measure to the lack of profit-seeking spirit.—Sir Bampfylde Fuller.*

their wages and earn a profit. If he is a merchant, he must be energetic, have good judgment, and be a good buyer as well as a good salesman. More businesses lose money and fail than succeed. However, it is desirable that free enterprise be allowed to have full sway. Those who have money and want to go into business should be allowed to do so. Competition keeps prices down, and those who are efficient are able to earn profits, while those who are inefficient quit and try something else.

### The Profits of Business Not Large

Now let us look into the profits that are made generally by business. The net earnings of all manufacturing corporations in the United States from 1925 to 1940 on the percentage of capital invested was 3.3%. The net earnings of the railroads of the country during the last ten years have averaged 3%.\*

25 large department stores in the period from 1928 to 1942 showed a percentage on profit on their sales 2.5/8%.

Profits of 3,102 leading corporations for the years 1946 and 1947 show that these corporations made a net profit of 9½% in 1946 and 12.2% in 1947. In arriving at the profits for 1947 no consideration was taken of the large increase in inventory values.

Thus, we see that while in a particular business large

\* The experience of the railroads with government ownership is illuminating. During the first World War, the Government took them over, and it cost the railroads nearly two billion dollars in operating losses. During the last World War, the railroads were allowed to operate under their own direction. Handling the largest volume of traffic on record, and without increasing rates, they made a profit.



*The worst crime against working people is a company which fails to operate at a profit.—Samuel Gompers.*

profits might be made, the leading businesses of the country do not make enormous profits.

We might put it this way. The consumer pays as his tribute to the capitalistic system some 6% of the price of the goods and services that he buys. Does anyone believe that the Government, or a bureaucracy, operating inefficiently as we all know it would, would make and sell goods on a 6% margin? Remember that the 6% represents only those businesses that are making money. As many are losing money, should the government undertake to run all businesses, it would then have to pay the deficits of the losers, so that government operation of businesses of all kinds (even though it closed up some) would entail an added expense. Instead of goods and merchandise being sold to consumers at a 6% saving, the cost to the public would probably be 25% or 50% greater.

Under the free-enterprise, capitalistic system with its profit-motive arrangement, this country produced in 1947 goods and services valued at 230 billion dollars. It is safe to say that under no other system of economics or of governmental direction could this marvelous record have been achieved.

\* \* \* \* \*

### Advertising

Some economists are teaching that advertising is a waste. The proof of its efficiency is too complicated to be discussed here.

The total amount spent in advertising in the United States in 1947 was \$3,879,000,000. Since our total pro-

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PAMPHLET DIVISION

duction was 230 billion dollars, advertising amounted to 1-1/10% of total production.

Advertising is paid for out of the profits of the advertiser. It is part of the sales expense, justified by increased volume. Increased volume means mass production or lower production costs. Advertising, if efficient, saves money for the consumer. There is much waste in advertising, and when money is so wasted, it is of course uneconomic. But it is paid for by the advertiser and not the public. Inefficient advertising like other inefficiencies are losses the business man who doesn't run his business properly has to absorb. Advertising, when properly done, is not an economic waste but an economic gain.

There is no advertising in Russia\* and comparatively little in Europe and that is one reason why America leads the world in production, sales and a high standard of living.

\* \* \* \* \*

### Communism in the United States

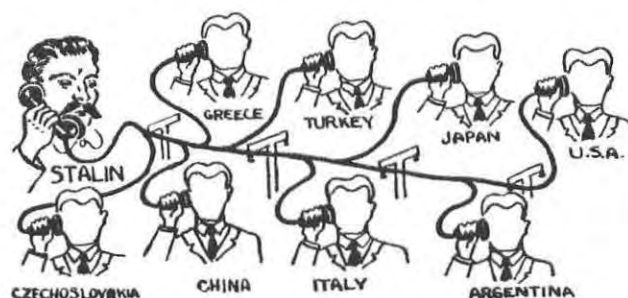
At the Communist Party Conclave held in 1947 at London, 57 nations sent delegates representing a total enrollment of 18,500,000. This 1/10 of 1% (.001) of all the people in the world is stirring up most of the trouble. 6 million are in Russia,† 1-1/3 million in France, 2 mil-

\* But the Soviet government spends hundreds of millions in propaganda, and even our government spends many millions in "public relations" and propaganda.

† When the Bolsheviks seized power Lenin estimated the number to have been 270,000. Only a small percentage were workers or "proletariats." Three years after the Revolution the Party numbered 600,000 and of these 70,000, or less than 12%, were industrial workers. Generally speaking, workers and laborers have refused to accept Communism.



### The Communist Party Line



It's a one-way line. If you get off the line you're finished.

lion in Italy, and 2 million 200 thousand in Germany. In the United States the Party claims only 74,000 members. (In 1932 the Communist Party polled 102,000 votes in the United States for president.) The annual "turn-over" of Communists outside of Russia is 50%, only 5% who join become permanent Communists.

70,000 Communists out of 140 million people in this country, one out of every 2,000, seems like a small proportion—yet when the Communists "took over" after the Russian Revolution, there was only one to every 2,200 Russians of other political beliefs. What the Communists lack in number they make up in determination, fanaticism, energy and intelligence. They are always on their toes, and in organizations which they join they often become leaders.

In the United States there are 1,500 Communist "cells." The large cities have several, but in towns and cities throughout the country small groups or secret committees, bound to each other by ties seemingly stronger than those of family, friendship or nationality,

### WHAT THE COMMUNISTS WILL DO TO US

If Communism comes, Wm. Z. Foster, head U. S. Communist, says: "Likewise will be dissolved, all other organizations that are political props of the bourgeois rule, including chambers of commerce, employers' associations, Rotary (Lions, Kiwanis) clubs, Am. Legion, Y.M.C.A., and such fraternal orders as Masons, Odd Fellows, Elks, Knights of Columbus, etc."

are pledged to carry out the policies of the Communist Party in Russia.

### What Communists Are Taught

One witness testified at a hearing in September, 1947 to deport a group of Communists, that at the Lenin School\* held in Moscow before World War II, the techniques of revolution were taught by Russian army officers. He said:

"We were taught that it is essential for the Communist Party to entrench itself in the basic and key industries of the nation to foment strikes, a series of general strikes, the paralyzing of the economy of the nation."

Another Communist testified that he was sent as a delegate in 1929 and 1931 from Detroit to Moscow where he studied at the Lenin School. He said his studies there included Marxian philosophy and economics, party organization, conspiracy, espionage, sabotage, building barricades, wrecking trains, seizing essential facilities, code and transmission of messages.

\* One writer has estimated there were something like 800 traitors in the country. These are American-born Communists who have gone to Moscow and studied at the International Lenin Institute where they were taught Marxism and "practical" Communism.





The termites that destroy the house.

These men as soon as they got back, joined labor unions, and, being of unusual ability with great persuasive powers, they soon worked their way into positions of authority. That is the reason why Communists have become officers and directors of some unions.

### The Enemy Within

Thus, we have scattered throughout the United States a small but well organized force of determined, hard-working, ruthless, fanatical men, who would sacrifice their friends, their families and their country in order to carry out the directives of a foreign government. They are the skeleton organization which is ready

to expand on a moment's notice. This expansion can occur where socialistic ideas and propaganda have prepared the ground and the masses become dissatisfied and aroused. It will then be comparatively easy for these able and conscienceless men to take over meetings, organizations, institutions, the Army and Navy and finally the Government itself. There is little danger now, of course, of their doing any such thing. But it is conceivable that our country could become so upset morally, economically and politically that our people would listen to the lying promises of wolves in sheep's clothing. Then this small group of Communists would take charge, and in a deluge of blood our glorious Republic would perish from the earth.

The professional or party-line, card-holding Communists in the United States are determined to destroy our form of Government. I have before me a quantity of Communist literature, but I particularly call your attention to the program of the Communist International. This advocates members joining the unions, mass action by combination of strikes and demonstrations, the general strike and finally an all-out revolution against the State.

The Communist Party in the United States is harmless—if we do not let the insinuating theory of Socialism weaken our resistance. It is not strong enough to win by force, but it can win by its ideology, if we do not demonstrate and propagandize its falseness.



## *Conclusion*

Marxian Communism says it wants to help the common man, yet in Russia it has brought him only trouble, it has mistreated him, enslaved him and killed him by the millions.

Communism proclaims peace, yet in the USRR it builds up great armies and armaments and prepares for war.

Communism ignores the individual. It insults human dignity. It denies God and the immortality of the soul.

Communism to the fanatics who propagate it becomes a religion—a religion of materialism based on force, brutality and anarchy.

Only a minority are willing to believe in and fight for its terrible doctrines. No nation has ever gone communistic in a free election.

Communism lifts none up, it pulls everyone down.

Commonsense refutes Communism, history proves its ineffectiveness, civilization condemns the cruelty and terrorism of Russian Communism.

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